

Estimate changes	↔
TP change	↔
Rating change	↔

Bloomberg	GCPL IN
Equity Shares (m)	1022
M.Cap.(INRb)/(USDb)	1190.8 / 14.3
52-Week Range (INR)	1230 / 894
1, 6, 12 Rel. Per (%)	3/2/4
12M Avg Val (INR M)	1109

## Financials & Valuations (INR b)

Y/E March	2024E	2025E	2026E
Sales	141.4	156.1	170.2
Sales Gr. (%)	6.2	10.4	9.0
EBITDA	30.0	32.7	36.6
EBITDA mrg. (%)	21.2	20.9	21.5
Adj. PAT	20.3	22.6	26.5
Adj. EPS (INR)	19.8	22.1	25.9
EPS Gr. (%)	15.4	11.4	17.4
BV/Sh.(INR)	147.3	161.4	177.3

## Ratios

RoE (%)	14.1	14.3	15.3
RoCE (%)	14.5	14.3	15.6
Payout (%)	30.3	36.2	38.6

## Valuations

P/E (x)	57.7	51.8	44.2
P/BV (x)	7.8	7.1	6.5
EV/EBITDA (x)	39.5	35.9	31.7
Div. Yield (%)	0.5	0.7	0.9

## Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	63.2	63.2	63.2
DII	8.4	7.7	6.7
FII	23.0	23.5	24.0
Others	5.5	5.9	6.0

FII Includes depository receipts

**CMP: INR1,164 TP: INR1,350 (+16%)**

**Buy**

## Beat on EBITDA; focus on TAM expansion

- Godrej Consumer (GCPL)'s consolidated net revenue grew 1.5% YoY to INR36.6b (est. INR36.3b), constant currency (CC) growth was at 19% YoY in 3QFY24. The India business clocked 9% YoY revenue growth (2% organic) with a volume growth of 12% YoY (5% organic).
- In India, the home care and personal care segments registered 5% and 2% YoY growth, respectively. HI volume growth was stable at low single digit. GCPL launched the Goodknight Agarbatti with an exclusive new molecule (RNF), which is ~2x more effective than most other molecules. The launch is to tap the INR12b incense stick market (growing at 10%) that is largely dominated by unorganized players.
- International performance was hit by forex. Indonesia's revenue was up 8% YoY (7% in CC) with a healthy UVG of 9%. GUAM revenue declined 8% YoY (+14% CC) and LATAM+SAARC dipped 45% YoY (+181% CC) for the quarter.
- GCPL posted higher-than-expected EBITDA, which rose 18% YoY to INR9b (est. INR8b). The EBITDA margin of the India business remained strong, which expanded 230bp YoY/370bp QoQ to 29% in 3QFY24.
- The RCCL portfolio continued to report healthy growth and clocked a revenue of INR1.4b in 3QFY24. Brand integration has largely been finalized, and cost synergies are anticipated in FY25.
- The company is consistently working towards expanding TAM for the India business along with product innovation to drive frequency. Besides, there has been a consistent effort to fix the gaps in profitability/growth for its international business. **We reiterate our BUY rating with a TP of INR1,350 (based on 55x Dec'25 EPS).**

## In-line revenue; beat on EBITDA

### Consolidated performance

- Net revenue rose 1.5% YoY to INR36.6b (est. INR36.3b). Revenue growth in CC was at 19%.
- Organic revenue was down by 2%, CC growth was at 15%
- Underlying volume growth was 8% (organic volume growth was 5%).
- EBITDA grew 18% YoY to INR9b (est. INR8b).
- PAT was up by 6% YoY to INR5.8b (est. INR5.5b).

### India business

- Domestic net revenue grew 9% to INR21.6b.
- Domestic volume growth was at 12%; organic volume growth was at 5%.
- GM expanded 500bp YoY and 100bp QoQ to 59%.
- EBITDA rose 19% YoY to INR6.5b.

### International business

- Indonesia registered 8% YoY growth (7% CC growth).
- GUAM was down by 8% YoY (14% CC growth).
- LATAM+SAARC declined 45% YoY (181% CC growth).
- The EBIT margin stands at 25% for Indonesia, 9% for Africa, and 2% for other regions.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

**Highlights from the management commentary**

- GCPL's volumes expanded 8% YoY, while sales grew 2% YoY, driven by organic underlying volume growth of 5%.
- A&P increased 200bp YoY during the quarter.
- The company's EBITDA margin has surpassed 20%, with ongoing structural cost reduction actions expected to drive further improvement.
- The integration of Raymond's consumer business is now complete, with cost synergies flowing, operating at around 30% of the overheads. RCCL achieved sales of INR400m during the quarter.
- GCPL has entered the INR12b market for the anti-mosquito incense sticks, dominated by unorganized players.
- In the laundry liquid category, GCPL holds a market share ranging from 15% to 20%.
- The company is introducing a new product, RNF, an Indian-patented molecule entirely developed within India.

**Valuation and view**

- With consistent improvement in gross and EBITDA margins in FY24, we have raised our earnings estimate by ~7%.
- GCPL has improved the India business sales growth in recent years. It has delivered industry-leading volume growth in the India business over 9MFY24, and is likely to record a double-digit EPS growth over FY24-26E. The implementation of disruptive innovations, the introduction of access packs, expansion into new growth categories and increased advertising expenditure are anticipated to contribute to a consistently robust growth trajectory in this high-margin and high-ROCE domestic business.
- The company is consistently working towards expanding TAM for the India business along with product innovation to drive frequency. Besides, there has been a consistent effort to fix the gaps in profitability/growth for its international business. **We reiterate our BUY rating with a TP of INR1,350 (based on 55x Dec'25E EPS).**

**Quarterly Performance (Consolidated)**

Y/E March	FY23				FY24				FY23	FY24	FY23	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		3QE	(%)	
<b>Net Sales (including OOI)</b>	<b>31.2</b>	<b>33.9</b>	<b>36.0</b>	<b>32.0</b>	<b>34.5</b>	<b>36.0</b>	<b>36.6</b>	<b>33.5</b>	<b>133.2</b>	<b>141.4</b>	<b>36.3</b>	0.7
YoY change (%)	8.0	7.2	9.0	9.8	10.4	6.2	1.7	4.6	8.5	6.2	1.0	
<b>Gross Profit</b>	<b>14.6</b>	<b>16.2</b>	<b>18.4</b>	<b>16.9</b>	<b>18.5</b>	<b>19.8</b>	<b>20.5</b>	<b>18.9</b>	<b>66.1</b>	<b>77.7</b>	<b>19.5</b>	4.8
Margin (%)	46.6	47.9	51.1	52.9	53.7	54.9	55.9	56.5	49.7	54.9	53.7	
<b>EBITDA</b>	<b>5.3</b>	<b>5.7</b>	<b>7.7</b>	<b>6.6</b>	<b>6.8</b>	<b>7.2</b>	<b>9.0</b>	<b>6.9</b>	<b>24.3</b>	<b>30.0</b>	<b>7.9</b>	14.2
Margins (%)	17.0	16.9	21.3	20.8	19.8	20.1	24.7	20.6	18.3	21.2	21.8	
YoY growth (%)	-12.8	-15.4	9.8	32.3	28.0	26.0	17.9	3.4	1.5	23.3	3.2	
Depreciation	0.6	0.5	0.6	0.7	0.8	0.6	0.5	0.6	2.4	2.5	0.7	
Interest	0.4	0.5	0.4	0.5	0.7	0.8	0.7	0.6	1.8	2.8	0.7	
Other Income	0.3	0.4	0.4	0.6	0.7	0.7	0.7	0.6	1.7	2.7	0.7	
<b>PBT</b>	<b>4.6</b>	<b>4.8</b>	<b>6.7</b>	<b>5.8</b>	<b>5.6</b>	<b>6.3</b>	<b>7.9</b>	<b>6.3</b>	<b>21.9</b>	<b>27.4</b>	<b>7.2</b>	9.4
Tax	1.1	1.0	1.2	1.0	1.6	1.9	2.0	1.6	4.3	7.1	1.6	
Rate (%)	23.9	20.6	17.7	17.9	28.7	29.5	25.6	25.0	19.7	25.9	22.5	
<b>Adj PAT</b>	<b>3.5</b>	<b>3.8</b>	<b>5.5</b>	<b>4.7</b>	<b>3.7</b>	<b>4.4</b>	<b>5.9</b>	<b>4.7</b>	<b>17.6</b>	<b>20.3</b>	<b>5.6</b>	4.7
YoY change (%)	-16.5	-21.5	10.7	22.9	7.7	17.2	6.0	0.3	-2.0	15.4	1.1	
<b>Reported PAT</b>	<b>3.5</b>	<b>3.6</b>	<b>5.5</b>	<b>4.5</b>	<b>3.2</b>	<b>4.3</b>	<b>5.8</b>	<b>4.7</b>	<b>17.0</b>	<b>18.0</b>	<b>5.4</b>	6.7

**Key performance indicators**

Y/E March	FY23				FY24		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
<b>2Y average growth %</b>							
Sales	16.2	7.9	8.5	8.3	9.2	6.7	5.3
EBITDA	8.2	-8.1	4.0	9.9	7.6	5.3	13.8
PAT	7.1	-11.1	5.6	7.3	-4.4	-2.2	8.4
<b>% sales</b>							
COGS	53.4	52.1	48.9	47.1	46.3	45.1	44.1
Other expenditure	29.5	30.9	29.8	32.1	34.0	34.8	31.2
Depreciation	1.8	1.6	1.6	2.1	2.2	1.7	1.5
<b>YoY change %</b>							
COGS	20.5	11.4	7.9	2.3	-4.4	-8.1	-8.2
Other expenditure	2.7	17.0	10.2	9.4	26.9	19.4	6.3
Other income	31.7	76.1	92.6	143.7	151.1	65.4	62.4
EBIT	-15.1	-17.1	10.1	33.0	27.3	27.2	19.8

**Exhibit 1: Snapshot of 3QFY24 performance as reported by the company**

Growth (%)	Consolidated		India	
	Reported	Organic	Reported	Organic
Net sales	2	-2	9	2
Net sales (constant currency)	19	15		
EBITDA	16		18	
Net profit (reported)	6		3	
Net profit (without exceptional and one-off items)	11		10	

Source: Company, MOFSL

**Exhibit 2: Snapshot of sales by geography**

International business	3QFY24		
	Sales (INR m)	Growth (%)	CC growth (%)
India – Reported	21,600	9	-
India - Organic	20,210	2	-
Indonesia	4,660	8	7
GAUM	9,220	-8	14
Others	990	-45	181
<b>Total net sales (Reported)</b>	<b>36,230</b>	<b>6</b>	<b>19</b>

Source: Company, MOFSL



## Highlights from the conference call

### Performance and Outlook

- GCPL's volumes expanded 8% YoY, while sales grew 2% YoY, driven by organic underlying volume growth of 5%.
- Despite a steady performance, revenue growth lagged volume growth due to personal wash price declines.
- Hair color, air fresheners, and fabric care all experienced robust double-digit growth, contributing to market share gains in these categories.
- The hair color business exhibited improvement, especially in shampoo hair colors.

### Cost and margins

- A&P increased 200bp YoY during the quarter.
- The company's EBITDA margin has surpassed 20%, with ongoing structural cost reduction actions expected to drive further improvement.
- The current year anticipates over 20% growth in operating cash flow and EBITDA, while PAT growth may be hit by net tax credits and other factors.

### RCCL business updates

- The integration of Raymond's consumer business is now complete, with cost synergies flowing, operating at around 30% of the overheads.
- RCCL achieved sales of INR400m during the quarter.

### International market updates

- In Indonesia, there was a consistent performance with 9% volume growth, 8% revenue growth, and 12% EBITDA, including Forex growth.
- In Indonesia, the hair color business is relatively small, but it is experiencing rapid growth, particularly through shampoo hair color.
- The East Africa reorganization is progressing as planned, it is set to conclude by 4QFY24-1QFY25.
- The demand for shampoo hair color in Indonesia is exceptionally high, prompting the company to commence domestic manufacturing.

### New launches

- GCPL has entered the INR12b market of anti-mosquito incense sticks, dominated by unorganized players.
- Goodnight Agarbatti, India's only government-registered, active-based anti-mosquito agarbatti, utilizes the highly effective Renofluthrin molecule.
- The legal instance represents between 15% and 20% of this market and is growing rapidly at 15%.
- In the laundry liquid category, GCPL holds a market share of 15% to 20%.
- The launch of Fab Liquid Detergent at an INR99 per liter category-defining price has commenced in select markets and will gradually expand to others.
- The hair color market, including hair crème and shampoo hair color, is anticipated to endure and achieve double-digit volume growth.
- Air Freshener is identified as a high-potential growth strategy in India. The company has achieved a significant market share, positioning itself as the

leader. The category has consistently grown at 20% for the past two years, and the anticipation is for continued growth in the high-teens to early 20%.

#### **Others**

- The company has a long-standing strategic partnership with the manufacturer of Renofluthrin, a unique molecule developed in India. The company holds exclusive rights for this molecule in India for the medium term.
- The company is introducing a new product, RNF, an Indian-patented molecule, entirely developed within India.

## Key exhibits

## Exhibit 3: Segmental quarterly sales growth and EBIT margin

Segment revenue (INR m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24
India	18,494	19,850	20,098	18,229	20,055	21,682	22,041
Indonesia	3,765	4,087	4,333	4,345	4,507	4,730	4,665
Africa (including SON)	7,789	8,587	10,071	7,701	8,486	8,158	9,233
Others	1,541	1,744	1,828	2,036	1,808	1,826	993
Less: Inter-segment eliminations	-338.7	-348.3	-340.1	-309.7	-366.2	-376.2	-335.7
<b>Net Sales from operations</b>	<b>31,250</b>	<b>33,919</b>	<b>35,989</b>	<b>32,002</b>	<b>34,489</b>	<b>36,020</b>	<b>36,596</b>
<b>Segment revenue growth (%)</b>							
India	11.4	8.0	10.6	11.5	8.4	9.2	9.7
Indonesia	-8.5	-8.2	-3.1	8.2	19.7	15.7	7.7
Africa (including SON)	12.2	14.7	13.9	6.5	8.9	-5.0	-8.3
Others	-3.5	0.4	-8.7	-3.8	17.4	4.7	-45.7
Less: Inter-segment eliminations	7.1	-16.4	-26.8	-44.1	8.1	8.0	-1.3
<b>Net Sales from operations</b>	<b>8.0</b>	<b>7.2</b>	<b>9.0</b>	<b>9.8</b>	<b>10.4</b>	<b>6.2</b>	<b>1.7</b>
<b>Segment EBIT (INR m)</b>							
India	4,101	4,340	5,604	4,961	6,336	6,826	6,762
Indonesia	576	737	948	1,047	995	1,013	1,166
Africa (including SON)	245.8	204.8	621	297.1	440.1	499.4	825
Others	25	80.2	129.3	185.6	79.4	34.9	24.7
Less: Inter-segment eliminations	-35.2	-75.2	-177.6	-188.9	-1493.5	-1281	-208.7
<b>Net EBIT from operations</b>	<b>4,913</b>	<b>5,287</b>	<b>7,124</b>	<b>6,302</b>	<b>6,357</b>	<b>7,092</b>	<b>8,569</b>
<b>Segment EBIT growth (%)</b>							
India	-4.0	-3.2	23.4	29.8	54.5	57.3	20.7
Indonesia	-38.1	-35.8	3.2	22.6	72.7	37.5	23.1
Africa (including SON)	-24.1	-55.7	-15.2	-164.4	79.0	143.8	32.9
Others	-88.3	-71.0	-38.4	-2.6	217.6	-56.5	-80.9
<b>Net EBIT from operations</b>	<b>-13.8</b>	<b>-16.3</b>	<b>12.0</b>	<b>44.1</b>	<b>29.4</b>	<b>34.2</b>	<b>20.3</b>
<b>Segment EBIT mix (%)</b>							
India	83	82	79	79	100	96	79
Indonesia	12	14	13	17	16	14	14
Africa (including SON)	5	4	9	5	7	7	10
Others	1	2	2	3	1	0	0
Less: Inter-segment eliminations	-1	-1	-2	-3	-23	-18	-2
<b>Net EBIT from operations</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Segment EBIT margin (%)</b>							
India	22.2	21.9	27.9	27.2	31.6	31.5	30.7
Indonesia	15.3	18.0	21.9	24.1	22.1	21.4	25.0
Africa (including SON)	3.2	2.4	6.2	3.9	5.2	6.1	8.9
Others	1.6	4.6	7.1	9.1	4.4	1.9	2.5
<b>Net EBIT margin from operations</b>	<b>15.7</b>	<b>15.6</b>	<b>19.8</b>	<b>19.7</b>	<b>18.4</b>	<b>19.7</b>	<b>23.4</b>
<b>Segment EBIT margin change (%)</b>							
India	-3.5	-2.5	2.9	3.8	9.4	9.6	2.8
Indonesia	-7.3	-7.8	1.3	2.8	6.8	3.4	3.1
Africa (including SON)	-1.5	-3.8	-2.1	10.2	2.0	3.7	2.8
Others	-11.8	-11.3	-3.4	0.1	2.8	-2.7	-4.6
<b>Overall EBIT change</b>	<b>-4.0</b>	<b>-4.4</b>	<b>0.5</b>	<b>4.7</b>	<b>2.7</b>	<b>4.1</b>	<b>3.6</b>

Source: Company, MOFSL

## Valuation and view

### What has happened from a business perspective over the last decade?

- In the last decade, the company has added a host of businesses in Indonesia, Africa, and LatAm to its relatively small international portfolio. The international business now accounts for nearly half of GCPL's total sales. Most of the acquisitions have been EPS-accretive since the company's inception.
- In the India business, the company has emerged as the second largest player in Soaps, strengthened its lead in the HI category, and introduced and scaled up products in the Car/Room Freshener market.

### Financial performance – a tale of two halves

- Over the course of the last decade, the company posted a sales/EBITDA/PAT CAGR of 7.6%/10.0%/10.4%.
- Over FY13-18, it posted a strong performance with a 16.0%/15.2% CAGR in EBITDA/PAT. This was followed by a weak performance over the next five years (FY19-23), with a much slower sales/ EBITDA/PAT CAGR of 5.2%/2.3%/3.3%.
- The domestic sales slowdown in recent years, the continued inability to scale up margins, and weak RoCE in the international business hit the pace of earnings growth for GCPL.

### Valuation and view

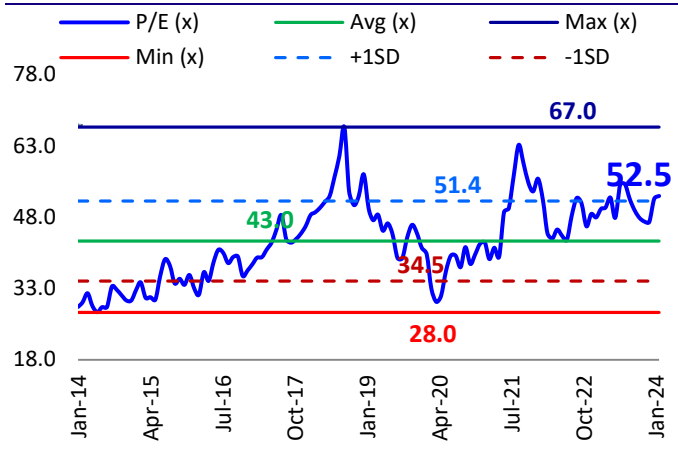
- With consistent improvement in gross and EBITDA margins in FY24, we have raised our earnings estimate by ~7%.
- GCPL has improved the India business sales growth in recent years. It has delivered industry-leading volume growth in the India business over 9MFY24, and is likely to record a double-digit EPS growth over FY24-26E. The implementation of disruptive innovations, the introduction of access packs, expansion into new growth categories and increased advertising expenditure are anticipated to contribute to a consistently robust growth trajectory in this high-margin and high-ROCE domestic business.
- The profitability outlook for the overseas business is steadily improving, driven by robust growth in Indonesia and the management's transition into an asset-like royalty model for specific African countries.
- **We reiterate our BUY rating with a TP of INR1,350** (based on 55x Dec'25E EPS), given its robust earnings growth prospects and expected improvements in return ratios.

**Exhibit 4: We increase our EPS estimates by 6.7% for FY24 and cut by ~3.5% FY25**

(INR b)	Old		New		Change	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Sales	140.3	153.6	141.4	156.1	0.7	1.6
EBITDA	28.6	32.8	30.0	32.7	5.0	-0.5
PAT	19.0	23.4	20.3	22.6	6.7	-3.5

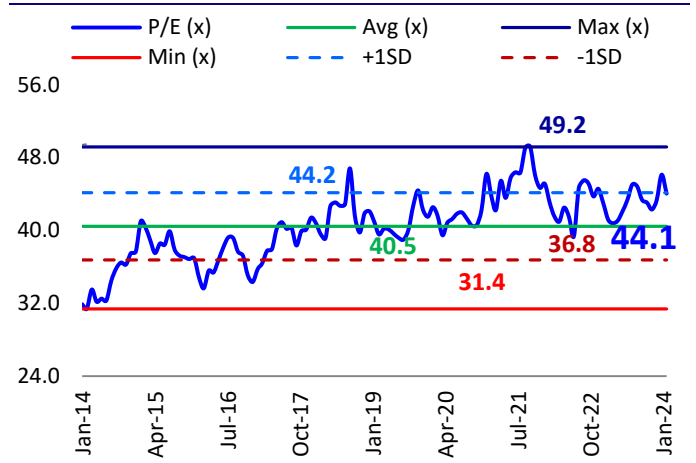
Source: Company, MOFSL

**Exhibit 5: P/E ratio (x) for GCPL**



Source: Company, MOFSL

**Exhibit 6: P/E ratio (x) for the Consumer sector**



Source: Company, MOFSL



## Financials and valuations

### Income Statement (INR m)

Y/E March	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>Net Sales</b>	<b>1,03,143</b>	<b>99,108</b>	<b>1,10,286</b>	<b>1,22,765</b>	<b>1,33,160</b>	<b>1,41,357</b>	<b>1,56,085</b>	<b>1,70,154</b>
Change (%)	4.7	-3.9	11.3	11.3	8.5	6.2	10.4	9.0
Cost of Goods Sold	45,543	42,617	49,294	60,751	67,028	63,686	69,461	76,035
<b>Gross Profit</b>	<b>57,600</b>	<b>56,491</b>	<b>60,992</b>	<b>62,014</b>	<b>66,132</b>	<b>77,671</b>	<b>86,624</b>	<b>94,120</b>
Margin (%)	55.8	57.0	55.3	50.5	49.7	54.9	55.5	55.3
Total Expenditure	81,967	77,678	86,404	98,814	1,08,855	1,11,380	1,23,422	1,33,544
<b>EBITDA</b>	<b>21,176</b>	<b>21,430</b>	<b>23,883</b>	<b>23,951</b>	<b>24,305</b>	<b>29,976</b>	<b>32,663</b>	<b>36,611</b>
Change (%)	2.4	1.2	11.4	0.3	1.5	23.3	9.0	12.1
Margin (%)	20.5	21.6	21.7	19.5	18.3	21.2	20.9	21.5
Depreciation	1,700	1,973	2,039	2,099	2,363	2,503	2,650	2,745
Int. and Fin. Charges	2,243	2,174	1,266	1,102	1,757	2,800	2,000	1,467
Other Income	1,088	1,123	671	897	1,684	2,679	2,930	3,926
<b>PBT</b>	<b>18,321</b>	<b>18,406</b>	<b>21,248</b>	<b>21,647</b>	<b>21,868</b>	<b>27,353</b>	<b>30,944</b>	<b>36,324</b>
Change (%)	-1.4	0.5	15.4	1.9	1.0	25.1	13.1	17.4
Margin (%)	17.8	18.6	19.3	17.6	16.4	19.4	19.8	21.3
Tax	-2,562	2,638	3,595	3,719	4,303	7,073	8,355	9,808
Deferred Tax								
Total tax	-2,562	2,638	3,595	3,719	4,303	7,073	8,355	9,808
Tax Rate (%)	-14.0	14.3	16.9	17.2	19.7	25.9	27.0	27.0
<b>PAT</b>	<b>20,883</b>	<b>15,768</b>	<b>17,653</b>	<b>17,929</b>	<b>17,566</b>	<b>20,279</b>	<b>22,589</b>	<b>26,517</b>
Change (%)	43.7	-24.5	12.0	1.6	-2.0	15.4	11.4	17.4
Margin (%)	20.2	15.9	16.0	14.6	13.2	14.3	14.5	15.6
Minority interest	-6	-8	0	-3	0	0	0	0
<b>Group Adjusted PAT</b>	<b>20,890</b>	<b>15,776</b>	<b>17,653</b>	<b>17,931</b>	<b>17,566</b>	<b>20,279</b>	<b>22,589</b>	<b>26,517</b>
Non-rec. (Exp.)/Income	2,526	-811	-445	-98	-541	-2,234	0	0
<b>Reported PAT</b>	<b>23,415</b>	<b>14,966</b>	<b>17,208</b>	<b>17,834</b>	<b>17,025</b>	<b>18,045</b>	<b>22,589</b>	<b>26,517</b>

### Balance Sheet

Y/E March	2019	2020	2021	2022	2023	2024E	2025E	2026E
Share Capital	1,022	1,022	1,023	1,023	1,023	1,023	1,023	1,023
Reserves	71,647	77,961	93,367	1,11,302	1,36,920	1,49,638	1,64,046	1,80,336
<b>Networth</b>	<b>72,669</b>	<b>78,984</b>	<b>94,389</b>	<b>1,12,325</b>	<b>1,37,942</b>	<b>1,50,661</b>	<b>1,65,069</b>	<b>1,81,358</b>
Loans	28,757	26,637	17,683	16,077	10,340	21,340	11,340	9,340
Deferred Liability	-4,728	-5,701	-6,378	-6,796	-6,412	-6,412	-6,412	-6,412
<b>Capital Employed</b>	<b>96,699</b>	<b>99,920</b>	<b>1,05,695</b>	<b>1,21,606</b>	<b>1,41,870</b>	<b>1,65,588</b>	<b>1,69,996</b>	<b>1,84,286</b>
Gross Block	42,091	45,229	46,302	49,078	54,129	57,129	60,629	64,129
Less: Accum. Depn.	4,569	6,308	8,553	10,652	13,015	15,519	18,168	20,913
<b>Net Fixed Assets</b>	<b>37,522</b>	<b>38,921</b>	<b>37,749</b>	<b>38,425</b>	<b>41,114</b>	<b>41,611</b>	<b>42,461</b>	<b>43,217</b>
Capital WIP	521	570	574	1,164	454	454	454	454
Goodwill	49,180	53,393	51,299	53,768	58,223	85,473	85,473	85,473
Non Curr Investments	347	348	194	1,711	8,393	8,893	9,393	9,893
Current Investments	4,813	6,372	6,572	8,443	21,897	16,897	18,897	20,897
<b>Currents Assets</b>	<b>43,825</b>	<b>43,498</b>	<b>39,672</b>	<b>47,279</b>	<b>37,880</b>	<b>39,858</b>	<b>43,621</b>	<b>57,240</b>
Inventory	15,586	17,031	17,163	21,299	15,372	19,464	21,492	23,429
Account Receivables	12,929	11,573	10,045	11,163	12,453	13,219	14,597	15,912
Cash and Bank Balance	8,947	7,702	6,722	7,843	3,907	754	621	10,520
Loans and Advances	225	259	264	1	1	1	1	1
Other Current Assets	6,138	6,934	5,479	6,974	6,147	6,420	6,910	7,378
<b>Curr. Liab. &amp; Prov.</b>	<b>39,509</b>	<b>43,182</b>	<b>30,366</b>	<b>29,185</b>	<b>26,091</b>	<b>27,597</b>	<b>30,303</b>	<b>32,888</b>
Account Payables	25,399	24,805	20,124	21,631	18,232	19,354	21,371	23,297
Other Liabilities	12,519	16,648	8,371	5,723	6,073	6,411	7,017	7,596
Provisions	1,591	1,729	1,871	1,832	1,786	1,832	1,915	1,995
<b>Net Current Assets</b>	<b>4,316</b>	<b>316</b>	<b>9,307</b>	<b>18,094</b>	<b>11,789</b>	<b>12,261</b>	<b>13,318</b>	<b>24,353</b>
<b>Net Assets</b>	<b>96,699</b>	<b>99,920</b>	<b>1,05,695</b>	<b>1,21,606</b>	<b>1,41,870</b>	<b>1,65,588</b>	<b>1,69,996</b>	<b>1,84,286</b>

E: MOFSL Estimates

## Financials and valuations

### Ratios

Y/E March	2019	2020	2021	2022	2023	2024E	2025E	2026E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>20.4</b>	<b>15.4</b>	<b>17.3</b>	<b>17.5</b>	<b>17.2</b>	<b>19.8</b>	<b>22.1</b>	<b>25.9</b>
Cash EPS	22.1	17.4	19.3	19.6	19.5	22.3	24.7	28.6
BV/Share	71.1	77.3	92.3	109.8	134.9	147.3	161.4	177.3
DPS	12.0	6.0	0.0	0.0	0.0	6.0	8.0	10.0
Payout (%)	58.7	38.9	0.0	0.0	0.0	30.3	36.2	38.6
<b>Valuation (x)</b>								
P/E	56.0	74.2	66.3	65.3	66.7	57.7	51.8	44.2
Cash P/E	51.8	65.9	59.5	58.5	58.8	51.4	46.4	40.0
EV/Sales	11.5	12.0	10.7	9.6	8.8	8.4	7.5	6.8
EV/EBITDA	56.2	55.5	49.5	49.2	48.1	39.5	35.9	31.7
P/BV	16.1	14.8	12.4	10.4	8.5	7.8	7.1	6.5
Dividend Yield	1.0	0.5	0.0	0.0	0.0	0.5	0.7	0.9
<b>Return Ratios (%)</b>								
RoE	30.9	20.8	20.4	17.3	14.0	14.1	14.3	15.3
RoCE (Post-tax)	25.1	17.9	18.2	16.6	14.4	14.5	14.3	15.6
RoIC	29.3	20.0	20.6	18.7	16.8	16.6	15.7	17.5
<b>Working Capital Ratios</b>								
Debtor (Days)	46	43	33	33	34	34	34	34
Asset Turnover (x)	2.7	2.5	2.9	3.1	3.2	3.4	3.6	3.9
<b>Leverage Ratio</b>								
Debt/Equity (x)	0.4	0.3	0.2	0.1	0.1	0.1	0.1	0.1

### Cash Flow Statement

Y/E March	2019	2020	2021	2022	2023	2024E	2025E	2026E
Profit before Tax	18,328	18,415	20,804	21,553	21,327	25,928	30,944	36,324
Net interest	1,375	1,412	916	506	802	1,460	535	-496
Direct Taxes Paid	-4,351	-3,441	-3,972	-4,475	-4,185	-7,073	-8,355	-9,808
(Inc)/Dec in WC	6	-2,613	-452	-5,362	933	-3,626	-1,189	-1,136
Others	1930.9	2108.6	3000.5	2284.4	2628.5	4737.52	2649.57	2744.69
<b>CF from Operations</b>	<b>17,289</b>	<b>15,881</b>	<b>20,296</b>	<b>14,506</b>	<b>21,507</b>	<b>21,427</b>	<b>24,584</b>	<b>27,630</b>
Inc in FA	-2,077	-1,520	-1,639	-2,765	-2,197	-30,250	-3,500	-3,500
<b>Free Cash Flow</b>	<b>13,280</b>	<b>12,252</b>	<b>15,657</b>	<b>9,456</b>	<b>16,681</b>	<b>-13,560</b>	<b>18,435</b>	<b>21,385</b>
Pur of Investments	4,846	-1,305	-289	-4,744	-16,377	4,500	-2,500	-2,500
Others	-325	-1,348	-1,186	-2,081	1,075	758	1,465	1,963
<b>CF from Investments</b>	<b>2,444</b>	<b>-4,173</b>	<b>-3,114</b>	<b>-9,589</b>	<b>-17,499</b>	<b>-24,992</b>	<b>-4,535</b>	<b>-4,037</b>
Inc in Debt	-3,447	-1,280	-16,194	-2,198	-6,344	11,000	-10,000	-2,000
Dividend Paid	-14,786	-9,859	0	0	0	-6,136	-8,182	-10,227
Interest Paid	-2,147	-1,519	-1,589	-1,123	-1,116	-2,800	-2,000	-1,467
<b>CF from Fin. Activity</b>	<b>-20,387</b>	<b>-12,953</b>	<b>-18,162</b>	<b>-3,795</b>	<b>-7,943</b>	<b>2,064</b>	<b>-20,182</b>	<b>-13,694</b>
<b>Inc/Dec of Cash</b>	<b>-655</b>	<b>-1,246</b>	<b>-979</b>	<b>1,121</b>	<b>-3,936</b>	<b>-1,501</b>	<b>-132</b>	<b>9,898</b>
Add: Beginning Balance	9,602	8,947	7,702	6,722	7,843	3,907	754	621
<b>Closing Balance</b>	<b>8,947</b>	<b>7,702</b>	<b>6,722</b>	<b>7,843</b>	<b>3,907</b>	<b>2,406</b>	<b>621</b>	<b>10,520</b>

E: MOFSL Estimates

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